

Hotel Lawyer on developing GREEN hotels. Don't wait for the GREEN. - By Jim Butler, author of
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It is here. First LEED Gold Certified hotel in U.S. is announced.

An exciting new benchmark has been set in the hospitality industry. The Gaia Napa Valley Hotel and Spa has received the prestigious LEED Gold certification! This is the first time that the United States Green Building Council (USGBC) has awarded "LEED Gold" to a hotel. It marks a sea change. It is the first, but won't be the last. In fact, get ready to ride the new wave or drown in the lost opportunity.

Gaia Napa Valley Hotel & Spa gets LEED Gold!

Gaia Napa Valley Hotel & Spa is the brainchild of hotelier and visionary Wen-I Chang and his team at Atman Hospitality Group. When Wen spoke to us at The Hotel Developers Conference (TM) in March about his project (see "[Hotel Lawyer on Green Hotel Development: Green hotel development is profitable now! Inspirations from the pioneers make it dangerous NOT to be "green"](#)") he described the Gaia Napa Valley Hotel and Spa as a fully environmentally sustainable hotel. That is quite an accomplishment.

Being "the first" is always the hardest. That is why pioneers like Wen get -- and deserve -- the recognition they receive. Trailblazers like Wen leave behind them a road for others to follow and guideposts along the way. People like Gatehouse Capital's Marty Collins, who is building some of the industry's most talked-about properties, are a fair way down the green path. You will be interested in Wen's journey and advice, because green hotels are the wave of the future and the future is happening now. Green hotels are coming online quickly and they are being branded by the likes of Starwoods, Hiltons and Doubletree's.

Which LEED certification are you going for?

It was only a couple of years ago that the industry conversation about green hotels was "Can green hotels be done profitably?" Soon, the talk will be "Which LEED certification are you going for?"

For those of you who are not current in the world of green buildings, LEED is a staple in the green vocabulary. (See [Hotel developer alert. So you're thinking about building a green hotel -- or making your existing hotel a little greener? Can you afford not to do that today?](#)) The Leadership in Energy and Environmental Design (LEED) Green Building Rating System(TM) is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings, and is administered by the U.S. Green Building Council (USGBC). (They have an incredibly helpful website at www.usgbc.org)

To earn LEED certification, a building project must meet certain prerequisites and performance benchmarks ("credits") within each category: Certified, Silver, Gold, or Platinum. The level of certification depends upon the number of credits or points achieved.

For example, Gaia Napa Valley Hotel and Spa received a certain number of points each for items including: water-use reduction and storm water management, the use of renewable energy, use of recycled content in building materials, use of local or regional materials, using new growth lumber certified through the Forest Steward Council (FSC), and using paint, sealants, carpets and adhesives with low VOC (volatile organic compound).

The 132-room property sits on 4.6 acres and features environmentally friendly services and amenities such as chemical-free landscaping, a koi pond (replete with swans) that uses recycled water, a guest van that uses alternative fuel, and storage for bicycles (needed for pedaling through the nearby wine country, of course!) Those items received some LEED points, too.

Challenges of Certification

"Register your project for certification early on in the development, as the USGBC is always revising the LEED requirements," advises Wen. Once your project is registered with LEED, you are not working with prerequisites that are a moving target.

"A good LEED consultant is definitely worth the cost. A lot of our consultants had a big learning curve - and we paid for it. I have no sympathy for the bad ones we had to get rid of. Pay a company that is in synch with your mentality and knows what they are doing," he advises. Additionally, a LEED "point" is given to the project for using a consultant that is recognized by the USGBC, another reason to find a good one.

Wen likes LEED certification because it is performance-oriented. He looked into the Chinese government's green buildings standards and found that not only are they much less stringent than the USGBC's, but they are self-reporting - there is no outside process for certification.

"It used to be that way in the hospitality industry," he said. "People gave lip service to being green. But with LEED standards available now, many of those who claimed to be green are not vocal any more," he said.

But LEED has no product-specific requirements for hotels and being a natural innovator, Wen developed his own standards for reducing the carbon footprint of his hotel, beyond the LEED standards, based on his many years as a hotelier.

Operating and Managing a Green Hotel

Building a green hotel is one thing, but operating and managing one takes a set of skills that many hotel management companies are simply not equipped for. What kinds of cleaning products, bathroom amenities, and foods in the restaurant should be used and how do you get them? What skills are needed for maintaining grounds without chemicals, water recycling systems, solar systems and the like? How do you train your staff to speak knowledgeably and enthusiastically about the property to your guests?

"Green hotel management is difficult to find," says Wen, who believes there is a great opportunity waiting for the right person and company. He may not have to wait long.

Deirdre Wallace of the Ambrose Hotel Group, developer of the Ray Hotel in Venice, California and the Ambrose Hotel in Santa Monica, is planning to launch a green hotel management company in October 2007. Based on her experience with both hotels, she has sourced and vetted an array of green products and practices that she plans to roll out with her new management company.

And then there are wonderful people like Ray Berger of Pineapple Hospitality who offer great environmentally-friendly products and services -- and even free green consulting when you buy his products or services.

Deirdre, Ray and Wen are on the exciting forefront of the green hotel movement. There are always those who are inspired to do the heavy lifting for the rest of us, and they deserve all the attention that comes their way. We intend to follow them and give them plenty!

Wen-I Chang told us about his project, "I travel down this path with a passion for the work. But it is not a lonely path - I have been encouraged by many people and from many angles." In fact, he is writing a book about his journey that has resulted in the development of the first LEED Gold certified hotel in the U.S. It should make for some interesting reading.

For more information on the first LEED Gold-certified hotel in the United States go to www.gaianapavalleyhotel.com.

About the Author



Jim Butler is recognized as one of the top hotel lawyers in the world. He devotes 100% of his practice to hospitality, representing hotel owners, developers and lenders. Jim leads JMBM's Global Hospitality Group(R) -- a team of 50 seasoned professionals with more than \$40 billion of hotel transactional experience, involving more than 1,000 properties located around the globe. In the last 5 years alone, they have brought their practical advice to more than 80 "hotel-enhanced mixed-use" projects, a term Jim coined to fill a void in industry lexicon. This term describes one of the hottest developments in real estate-where hotels work together with shopping center, residential, office, retail, spa and sports facility components to mutually enhance the entire project's excitement and success.

Jim and his team are more than "just" great hotel lawyers. They are also hospitality consultants and business advisors. They are deal makers. They can help find the right operator or capital provider. They know who to call and how to reach them. They are a major gateway of hotel finance, facilitating the flow of capital with their legal skill, hospitality industry knowledge and ability to find the right "fit" for all parts of the capital stack. Because they are part of the very fabric of the hotel industry, they are able to help clients identify key business goals, assemble the right team, strategize the approach to optimize value and then get the deal done.

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